

COMMISSION DIRECTIVE

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u>February 7, 2007</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>2004-357-WS</u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>		

SUBJECT:

DOCKET NO. 2004-357-WS- Carolina Water Service, Incorporated – Application for Adjustment of Rates and Charges and Modification of Certain Terms and Conditions for the Provision of Water and Sewer Service – Discuss with the Commission the Order on Remand.

COMMISSION ACTION:

We have received a consent order from the Circuit Court dated November 28, 2006 reversing in part our Order Nos. 2005-328 and 2005-465 in the 2005 Carolina Water Service rate case.

The order, entered by the Circuit Court on the motion of Carolina Water Service with the consent of the Office of Regulatory Staff, remands that matter back to this Commission for further proceedings. While the Office of Regulatory Staff did not seek rehearing of the Commission's order when it was issued below, it joined Carolina Water Service in seeking reversal of the Commission's order on appeal. This consent order represents a settlement between these parties during the appeal of the case.

Specifically, the consent order rejected the Commission's findings regarding the appropriate customer growth and directed the Commission to adopt the Office of Regulatory Staff's proposed customer growth adjustment. As noted on page 16 of the consent order, adoption of the customer growth adjustment requires the Commission to set rates which allow CWS the opportunity to earn an additional \$1,117,000 in annual revenues.

Further, the consent order reverses this Commission's imposition of certain measures relating to water quality testing and the reporting of environmental compliance and customer complaint information, both of which the Commission believed to be essential to ensuring Carolina Water Service's accountability to its customers.

I understand that the consent order will ultimately result in an increase of \$1.68 per month to residential and commercial sewer customers of Carolina Water Service, an increase of \$1.01 per month for mobile home sewer customers, and an increase of .90 cents per month for collection-only sewer customers, over the amounts originally ordered by this Commission.

I do not believe that the Commission has any choice but to take action consistent with the terms of the consent order in this docket. Accordingly, I move that the Commission adopt the customer growth adjustment originally proposed by the Office of Regulatory Staff and set rates according to the terms of the order.

These measures are necessary to comply with the terms of the consent order. I would ask the staff to draft a conforming order.

PRESIDING	<u>Hamilton</u>				Session:	Regular
	MOTION	YES	NO	OTHER	Time of Session	<u>2:30 p.m.</u>
CLYBURN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Abstaining	APPROVED	_____
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		APPROVED STC 30 DAYS	_____
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACCEPTED FOR FILING	_____
HOWARD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		DENIED	_____
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		AMENDED	_____
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		TRANSFERRED	_____
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		SUSPENDED	_____
					CANCELED	_____
					SET FOR HEARING	_____
					ADVISED	_____
					CARRIED OVER	_____
					RECORDED BY	<u>SCHMIEDING</u>